

Message Text

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ACTION EB-11

INFO OCT-01 ISO-00 IO-14 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 PRS-01

SP-03 FEA-02 OMB-01 SWF-02 AF-10 ARA-16 EA-11 EUR-25

NEA-10 DRC-01 OIC-04 (ISO) W
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FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 5399

INFO AMEMBASSY BOGOTA IMMEDIATE

AMEMBASSY BONN

AMEMBASSY BRIDGETOWN IMMEDIATE

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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BOGOTA AND BRIDGETOWN PASS AMBASSADOR EBERLE

E.O. 11652: N/A

TAGS: GATT, ETRD

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SUBJECT: 24:6 NEGOTIATIONS AND GATT COUNCIL

REF: (A) STATE 84144 (B) GENEVA 2514 (C) GENEVA 2482
(D) STATE 80395 (E) STATE 75116

BEGIN SUMMARY: COUNCIL UNANIMOUSLY AGREED ON APRIL 26
THAT WITHOUT PREJUDICE TO INTERPRETATION OF ART. XXVIII:3
SIX-MONTH PERIOD PREFERRED TO IN THAT ARTICLE WOULD
NOT BE CONSIDERED TO EXPIRE BEFORE AUGUST 31, 1974.
END SUMMARY

1. IN BRIEF MEETING CHAIRED BY DG LONG (IN LAI'S
ABSENCE) GATT COUNCIL ON APRIL 26 APPROVED DECISION IN
SUMMARY ABOVE. AFTER US AND EC SPOKE, 21 COUNTRIES
SUPPORTED EXTENSION AND NONE OPPOSED. RECORD OF
DECISION WILL BE DRAFTED BY SECRETARIAT IN LINE WITH
TEXT JOINTLY WORKED OUT BETWEEN US AND EC (REF E) AND
DISCUSSED WITH LONG APRIL 25. LONG'S INTERVENTION IN
COUNCIL UTILIZED EXACT WORDING OF US-EC TEXT.

2. US (CULBERT) MADE FOLLOWING STATEMENT: QUOTE
THE U.S. AND THE EC HAVE NOT YET CONCLUDED NEGOTIA-
TIONS UNDER ARTICLE XXIV:6 UNDER THE APPLICABLE PROCE-
DURES OF ARTICLE XXVIII. THE FACT THAT THE UNITED
KINGDOM, DENMARK AND IRELAND ARE APPLYING IMPORT TREAT-
MENT CALLED FOR IN ACCORDANCE WITH THEIR ACCESSION
AGREEMENTS WITH THE EUROPEAN COMMUNITIES, RATHER THAN
IN ACCORDANCE WITH THEIR SCHEDULES REFERRED TO IN GATT
ARTICLE II, RAISES THE QUESTION OF WHETHER THE CON-
CESSIONS SHOULD BE CONSIDERED WITHDRAWN OR MODIFIED AS
OF JANUARY 1, 1974. IF THIS IS THE CASE, ARTICLE XXVIII,
PARAGRAPH 3, CAN BE READ AS REQUIRING NOTIFICATION TO
THE GATT OF ANY COMPENSATORY WITHDRAWALS ON OR BEFORE
MAY 31, 1974 AND THEREFORE A BIT MORE TIME IS NEEDED
BEFORE ALL POSSIBILITY OF NEGOTIATIONS IS EXHAUSTED.

THE PROPOSED GATT ACTION IS THAT THE SIX-MONTH
PERIOD REFERRED TO IN ARTICLE XXVIII:3 WOULD NOT BE
CONSIDERED TO EXPIRE PRIOR TO AUGUST 31, 1974. THIS
FORMULATION WILL NOT ADVERSELY AFFECT ANY CONTRACTING
PARTY BUT IS DESIGNED TO MAKE CLEAR THAT THE PASSAGE
OF A FURTHER SHORT PERIOD OF TIME WOULD NOT PREVENT
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COMPENSATORY WITHDRAWALS BEING MADE IF THAT SHOULD
BECOME NECESSARY. WE ARE OF COURSE HOPEFUL THAT A
MUTUALLY ACCEPTABLE SOLUTION WILL BE FOUND SHORTLY AND
THAT NO WITHDRAWALS WILL IN FACT BE REQUIRED. THE
US GOVERNMENT HOPES THAT ALL COUNCIL MEMBERS CAN
SUPPORT THE JOINT US/EC REQUEST. UNQUOTE

3. EC STATEMENT REFLECTED DIFFICULTIES EC COMMISSION

REP (LUYTEN) TOLD US HE HAD WITH SOME MEMBER STATES
ESP FRANCE, WHO WANTED HARDER STATEMENT IN LIGHT OF US
INSISTENCE ON REFERRING TO WITHDRAWALS THREE TIMES.
FRANCE WANTED REFERENCE IN EC STATEMENT TO EC COUNTER-
WITHDRAWALS. EC STATEMENT AS DELIVERED WAS AS FOLLOWS:
QUOTE

AT THIS MEETING OF THE COUNCIL THE COMMUNITIES, FOR
THEIR PART, WISH TO CONSIDER ONLY THE QUESTION OF PRO-
CEDURE THAT IS POSED, NOT THE SUBSTANTIVE ELEMENTS
IN THE CURRENT RENEGOTIATIONS, AND THEY RESERVE THEIR
POSITION ON THOSE OF THOSE ELEMENTS THAT HAVE BEEN
INCLUDED IN THE STATEMENTS WE HAVE JUST HEARD.

THE EUROPEAN COMMUNITIES DO NOT CONSIDER
THAT THE TIME-LIMIT LAID DOWN IN ARTICLE XXVIII:3
POSES A PROBLEM AT THE PRESENT TIME, BECAUSE
THE RENEGOTIATIONS ARE STILL IN PROGRESS AND THE SIX-
MONTH PERIOD MENTIONED IN THAT ARTICLE WILL RUN ONLY
AS FROM THE END OF THOSE RENEGOTIATIONS. THE COMMUNI-
TIES HAVE NOTED THAT THE UNITED STATES HAS A DIFFERENT
INTERPRETATION. BEING DESIROUS OF CO-OPERATING IN THE
SEARCH FOR A SOLUTION SATISFACTORY TO ALL INTERESTED
PARTIES, THE COMMUNITIES REQUESTED, JOINTLY WITH THE
UNITED STATES, THAT THE GATT COUNCIL DEAL WITH THIS
MATTER.

THE COUNCIL COULD DECIDE THAT THE SIX-MONTH PERIOD
LAID DOWN IN ARTICLE XXVIII:3 SHOULD NOT BE CONSIDERED
AS EXPIRING BEFORE 31 AUGUST 1974, IT BEING UNDERSTOOD
THAT THIS DECISION WOULD NOT PREJUDICE THE LEGAL RIGHTS
OF THE COMMUNITIES IN THE MATTER. UNQUOTE

4. US APPROACHES IN CAPITALS CLEARLY PAID OFF. MANY
REPS NOTED THEIR APPROVAL BASED ON SPECIFIC INSTRUCTIONS.
WASHINGTON MAY WISH EXPRESS APPRECIATION TO ADDRESSES
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